

for review dropped from 74 cents to 48 cents per claim. As a result, the proportion of claims reviewed dropped from 17 percent to 9 percent. In the especially problematic home health area, reviews plummeted from 62 percent in 1987 to a target of 3 percent in 1996.²

In many industries, it is standard operating procedure for businesses to fund independent audits of their compliance with Federal laws and regulations. For example, banks have paid for independent government financial and compliance audits since the 1800's. In fact, the Office of the Comptroller of the Currency is a special branch of the Treasury Department that is fully funded through fees it assesses for conducting bank audits.

This legislation would require all hospitals, skilled nursing facilities, home health agencies, hospices, clinical laboratories, and ambulance companies to fund annual, federal financial and compliance audits as a Condition of Participation in the Medicare and Medicaid programs. Other businesses they own in whole or in part would be included in the audits, which would ensure, for example, that providers are furnishing only services that are covered and medically necessary, that they are actually delivering the services for which they bill HCFA and that their cost reports are correct.

To ensure audit quality and consistency, specially trained Federal Medicare/Medicaid examiners, analogous to bank examiners in the banking industry, would conduct the audits. One home health agency owner convicted of Medicare fraud testified before Congress about the inadequacy of the few audits that the government currently conducts: "the auditors were not always sufficiently knowledgeable about Medicare reimbursement and areas of concern to be able to identify improper reimbursement practices * * * the audit teams seemed to change from year to year so there was no real continuity or consistency. The better the auditors understand a provider, the better they will be able to know where to look * * * the auditors need to look not just at the [core business of the provider], but at the overall structure."³

Audits would be paid for through hourly fees charged to providers. Thus, provider liability would depend on both the size of the provider and on how well they keep their books and records. A small agency that follows the rules and documents correctly would be charged very little. To further ease the burden on small businesses, the Secretary would have the authority to exempt providers from audits based on their volume of Medicare and Medicaid business.

To minimize the administrative burden on all health care providers, the bill would require the Secretary to conduct a study of all the examining and accrediting agencies and organizations that perform audits or inspections of the providers covered under this bill. Based on the study, the Secretary would make recommendations to Congress by June 1, 1999 on how to coordinate and consolidate these audits and inspections in order to reduce related costs to providers and government agencies.

Annual rather than initial one-time audits are needed because businesses may start out honestly, but gradually creep into abusing the system as they gain experience and test the waters. Annual audits would also serve an educational purpose, thus reducing waste that

occurs because providers don't understand the system.

Health care spending consumes an ever-increasing portion of the Federal budget—now at least 20 percent. And the Federal Government pays a third of our Nation's health care bills—more than any other single source.⁴ We are the largest purchaser—isn't it time we become a wiser purchaser? And isn't it imperative that we have tighter reins on an area that consumes so many of our tax dollars?

Banks have for many decades borne the financial responsibility for demonstrating their legitimacy. It is an accepted cost of the privilege of keeping other people's money. Medicare and Medicaid providers are being given the privilege of taking taxpayers' money, without the corresponding responsibility for proving their legitimacy. The appalling level of fraud, waste and abuse in the programs is the unfortunate result.

Banks are audited as a matter of public trust to ensure our Nation's economic security. Please join Mr. DELLUMS, Mr. MILLER and me in demanding provider audits to help ensure its health security.

FOOTNOTES***NOTE****TESTIMONY OF GEORGE F. GROB, DEPUTY INSPECTOR GENERAL FOR EVALUATION AND INSPECTIONS, HHS OFFICE OF INSPECTOR GENERAL, BEFORE THE SENATE SPECIAL COMMITTEE ON AGING, 7/28/97.***NOTE****TESTIMONY OF LESLIE G. ARONOVITZ, ASSOCIATE DIRECTOR, HEALTH FINANCING AND SYSTEMS ISSUES, HEALTH, EDUCATION, AND HUMAN SERVICES DIVISION, GENERAL ACCOUNTING OFFICE, BEFORE THE SENATE GOVERNMENT AFFAIRS INVESTIGATIONS SUBCOMMITTEE, 6/26/97.***NOTE****TESTIMONY OF JEANETTE G. GARRISON BEFORE THE SENATE COMMITTEE ON AGING, 7/28/97.***NOTE****CONGRESSIONAL RESEARCH SERVICE, WAYS AND MEANS HEALTH SUBCOMMITTEE CHARTBOOK, 1997.

A TRIBUTE TO CAPT. L.D. "DEAK" CHILDRESS

HON. CALVIN M. DOOLEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1997

Mr. DOOLEY of California. Mr. Speaker, I rise today to recognize and honor Capt. Louis "Deak" Childress, Commanding Officer, Naval Air Station Lemoore, in Lemoore, CA. Captain Childress has demonstrated exceptional leadership throughout his service in the U.S. Navy and is an asset to the community of Lemoore.

Captain Childress began his naval career by entering flight training at Aviation Officer Candidate School in Pensacola, FL, in July 1973. After completing training at Saufley Field and Whitley Field, he reported to Beeville, TX, in July 1974, and received his wings on December 20 of that year.

After graduation from flight school, Ensign Childress was assigned to Oceana, VA, flying the F-4 Phantom from the decks of the USS *Nimitz* and USS *Forrestal* from 1975 to 1978.

In October 1978, Lieutenant Childress served as an instructor pilot at NAS Miramar in San Diego and in November 1979, he was reassigned to the east coast F4-RAG in Virginia.

In July 1981, he reported to the staff of Commander Carrier Air Wing 17 as landing signals officer and safety officer, flying once again with the "Bedevilers." He completed the final east coast F-4 deployment in November

1982 and reported for temporary duty at Oceana while awaiting assignment in Lemoore, CA. While at Lemoore, he was the first tactical fighter pilot to instruct in Fighter Wing One's out-of-controlled-flight program, flying the T-2 and A-4 aircraft.

In July 1983, he was chosen to serve as part of the early cadre of instructor pilots in the developing F/A-18 program. He performed duties as senior LSO for the Hornet RAG, and was one of the first three instructors selected for the newly developed Strike Fighter Weapons School Pacific, and served as the RAG training officer.

In November 1985, Lieutenant Commander Childress reported as a plank owner, where he served as department head until August 1988. The squadron stood up in Lemoore, CA, and subsequently changed homeport to NAS Cecil Field in Jacksonville, FL.

In September 1988, Lieutenant Commander Childress reported to Commander U.S. Sixth Fleet in Gaeta, Italy for a tour as Flag Secretary. He served on board the Flagship, USS *Belknap*, until October 1990.

From November 1990 until June 1991, Commander Childress completed his PXO/CO training track and returned to NAS Cecil Field, FL. During that time, he was deployed to the Persian Gulf where he acted for nearly 4 months as senior naval representative to COMUSNAVCENT's contingency planning cell in Dharhan, Saudi Arabia.

In August 1993, Commander Childress, reported as Chief of Crisis Action Plans for the J-3 directorate of Headquarters United States European Command in Stuttgart, Germany. In March 1995, he was promoted to his current rank of captain, and in July 1996, Captain Childress reported as commanding officer, Naval Air Station Lemoore.

Since returning to Naval Air Station Lemoore, Captain Childress has dedicated himself to improving the lives of the sailors. The first phase of a new family housing project has been completed, with more units to be finished in the upcoming months. And, Captain Childress recently broke ground on a new state-of-the-art naval hospital.

Captain Childress is well-respected in both the U.S. Navy and in the city of Lemoore. The support he has given to the Public/Private Venture has played an important part in the economic growth and development of the city of Lemoore and Kings County.

Captain Childress is also a devoted family man. He and his wife, the former Mary Sue Duckworth, have two children, Brent (21) and Christopher (18).

Mr. Speaker and my colleagues, please join me in wishing Captain Childress, devoted husband, father, community member, and dedicated serviceman, continued success.

IN SUPPORT OF COPS PROGRAMS

HON. DENNIS J. KUCINICH

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 24, 1997

Mr. KUCINICH. Mr. Speaker, I rise today in support of the Office of Community Oriented Policing Services. Three years ago, President Clinton vowed to place 100,000 more police officers on the streets of American cities in a nationwide effort to reduce crime starting at the community level. To fulfill this goal by the end of the year 2000, the Office of Community